

**MINUTES OF A MEETING  
KENTUCKY WORKERS' COMPENSATION FUNDING COMMISSION  
BOARD OF DIRECTORS**

**March 24, 2021**

**Opening of Meeting:**

1. A regular meeting of the Board of Directors, Kentucky Workers' Compensation Funding Commission was held via Zoom video conference on March 24, 2021, Frankfort, Kentucky. Madam Chair Judy Long called the meeting to order.
2. Ms. Angela Calloway announced the meeting will be recorded in accordance with Kentucky Revised Statute 61.835.
3. Madam Chair Long verified the press notice and asked for a roll call.

**Directors Present:**

4. Judy Long, Self-Insured Employers Representative  
Larry Roberts, Secretary, Labor Cabinet  
Ryan Barrow, Designee for Secretary Holly M. Johnson, Finance & Administration Cabinet  
Tim Feld, Insurance Advisory Organization Representative  
Mark Isaacs, Labor Representative  
Katie Smith, Designee for Secretary Larry Hayes, Cabinet for Economic Development

**Others Present:**

5. Lisa King, Executive Director, KWCFC  
Olivia Orrender, Audit Review Manager, KWCFC  
Marcus Roland, General Counsel, KWCFC  
Kim Hay, Director, Fiscal Operations, KWCFC  
Angela Calloway, Fiscal Services Officer, KWCFC  
Lisa Fernandez, Fiscal Auditor, KWCFC  
Ryan Robinson, Insurance Compliance Auditor, KWCFC  
John Ghaelian, Attorney, Department of Workers' Claims  
David Rogan, Director of Portfolio Management, Conning Inc.  
Robert Swisher, Commissioner, Department of Workers' Claims  
Jon Stewart, President and CEO, KEMI  
Dustin Miller, Government Strategies, AIG  
Prentice Harvey, Government Strategies, AIG  
Andrew Manno, Legislative Research Commission  
Kara Smotherman, Office of State Budget Director  
John Kevin Balaod, Journalist, Pageant Media  
Rhonda Kiper

**Approval of Minutes:**

6. Secretary Larry Roberts made a motion to approve the January 27, 2021 Regular Meeting Minutes. Mr. Ryan Barrow seconded the motion. Motion carried.

**Oath of Office:**

7. Madam Chair Long issued the Oath of Office to new Board member, Mark Isaacs.

**Coal Workers' Pneumoconiosis Fund Liability Update:** Jon Stewart, KEMI

8. Mr. Jon Stewart provided an update on the Coal Workers' Pneumoconiosis liability.
9. Mr. Stewart reported on the Coal Workers' Pneumoconiosis Loss Portfolio and Modified Cash Basis of Accounting and updated the Board on the status of claims through February 28, 2021.

**Investment Report:** David Rogan, Conning, Inc. (report on file for referral)

10. Mr. David Rogan presented an update on the investment portfolio through February 28, 2021. He also discussed the current economic and future capital market outlook.
11. Ms. Katie Smith made a motion to accept the Investment Report as presented to the Board. Secretary Larry Roberts seconded the motion. Motion carried.

**Financial Report:** Kim Hay (report on file for referral)

12. Mr. Kim Hay reviewed the year to date budget versus actual expenses for KWCFC, the year to date internal financial statements, and fiscal year to date interagency transfers made by KWCFC for the period ending February 2021.
13. Secretary Larry Roberts made a motion to accept the financial reports as presented to the Board. Mr. Tim Feld seconded the motion. Motion carried.

**Audit & Collections Update:** Lisa King (report on file for referral)

14. Ms. Lisa King presented an update on the number of audits ongoing and completed.
15. Secretary Larry Roberts made a motion to accept the Audit and Collections Report as presented. Mr. Mark Isaacs seconded the motion. Motion carried.

### **Executive Director Update**

16. Ms. Lisa King spoke to the Board about information from NCCI (National Council on Compensation Insurance).

### **Executive Session:**

17. Madam Chair Long asked for a motion to go into Executive Session under KRS 61.810 (1) (c), (f) and (j) to discuss litigation, personnel, and penalty waivers.
18. Secretary Larry Roberts made a motion to go into Executive Session. Ms. Katie Smith seconded the motion. Motion carried.

### **Open Session:**

19. Secretary Larry Roberts made a motion to return to open session. Mr. Katie Smith seconded the motion. Motion carried.

### **Other Business:**

20. Mr. Ryan Barrow made a motion to accept the settlement offer in the amount of \$3,455,556.86 from the AIG companies to resolve all audit periods from 2007-2016, pending final review and approval of the settlement agreement. Secretary Larry Roberts seconded the motion. Motion carried.

### **Litigation Update**

21. Mr. Marcus Roland gave a litigation update stating there is one case pending in Franklin Circuit Court.

### **New Business:**

22. Ms. Lisa King made the Board aware there is an RFP for Self-Insurance Fund Investment Manager that will close the end of March and there may be a special board meeting in April.

### **Adjournment:**

23. Ms. Katie Smith made a motion to adjourn. Mr. Tim Feld seconded the motion. Motion carried.

*Judy B. Long*

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Board Chair